

NVIDIA (NASDAQ: NVDA) — Q1 FY2027 Results, Q2 Guidance & Valuation

Quarter ended April 26, 2026 · a data-center-scale AI-infrastructure company (GPUs, networking, systems & software). Revenue was a record \$81.6B (+85% YoY) with Data Center at \$75.2B (+92%), ~75% gross margins and \$48.6B of free cash flow — yet the stock trades at only ~21× forward earnings (see page 2).

A factual snapshot from NVIDIA's Q1 FY2027 results (CFO commentary & Form 10-Q for the quarter ended April 26, 2026), its Q2 guidance, and public market data. It contains no Blackspear forecast, price target, or recommendation.

REVENUE (Q1 FY27) \$81.6B ▲ 85% YoY · +20% QoQ record (co.); Q2 guided \$91B	DATA CENTER REVENUE \$75.2B ▲ 92% YoY 92% of total revenue	NON-GAAP DILUTED EPS \$1.87 ▲ 140% YoY GAAP \$2.39 (incl. equity gains)	FREE CASH FLOW (Q1) \$48.6B 60% FCF margin ~\$20B returned to holders
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REVENUE MIX — Q1 FY2027 (\$81,615M)

PLATFORM / SEGMENT	REVENUE	% TOT.	YOY
BY MARKET PLATFORM			
Data Center	\$75,246M	92%	+92%
— Hyperscale	\$37,869M	46%	+115%
— AI Clouds/Ind./Ent. (ACIE)	\$37,377M	46%	+74%
Edge Computing	\$6,369M	8%	+29%
PRIOR SUB-MARKETS & SEGMENTS			
Data Center — compute	\$60,400M	74%	+77%
Data Center — networking	\$14,800M	18%	+199%
Compute & Networking seg.	\$74,550M	91%	+88%
Total revenue	\$81,615M	100%	+85%

Data Center is 92% of revenue; networking (InfiniBand, Spectrum-X, NVLink) grew fastest at +199%. Blackwell is the majority of shipments; Rubin is expected to start shipping in H2 FY2027. Graphics segment was \$7,065M (+58%).

MARGINS, RETURNS & BALANCE SHEET

METRIC (Q1 FY27)	VALUE	YOY
Gross margin (GAAP / non-GAAP)	74.9% / 75.0%	+14pt
Operating income (GAAP)	\$53,536M	+147%
Non-GAAP operating margin	66%	+21pt
Cash from operations	\$50,344M	+84%
Returned to shareholders	~\$20.0B	—
Net cash · equity/strategic inv.	~\$42B · ~\$74B	—
Supply commitments	\$119B	—
Dividend · buyback added (May)	+\$0.25/q · +\$80B	—

Record ~\$20B returned in the quarter; on May 18, 2026 NVIDIA raised the dividend 25× (to \$0.25/qr) and added \$80B to buybacks. It also holds ~\$74B of equity/strategic investments (some in AI customers) and has \$119B of supply commitments — capacity secured ahead of demand.

Q2 FY2027 OUTLOOK (ISSUED WITH Q1 RESULTS)

COMPANY Q2 FY2027 GUIDANCE				RECORD · +~95% YoY IMPLIED
REVENUE \$91.0B ±2% · ~+95% YoY +11% QoQ	GROSS MARGIN (NON-GAAP) 75.0% ±50 bps GAAP 74.9%	OPERATING EXPENSES (NON-GAAP) ~\$8.3B GAAP ~\$8.5B FY27 tax 16–18%	CHINA DATA CENTER COMPUTE \$0 none assumed H200 licenses pending	
NVIDIA guides one quarter at a time. Q2 revenue of \$91.0B implies ~95% YoY growth and assumes zero China Data Center compute revenue. No Hopper Data Center products shipped to China in Q1 (vs \$4.6B a year ago); under Feb 2026 U.S. licenses, limited H200 shipments to China resumed at negligible volumes in mid-July 2026 (routed through a U.S. inspection process, carrying a 25% U.S. import tariff) — a modest reopening not in Q2 guidance.				

VALUATION SNAPSHOT — AS OF AUGUST 4, 2026 CLOSE

Share price (Aug 4, 2026)	\$211.94	EV / FY26 revenue (\$216B)	~24×
Market cap (~24.2B shares)	~\$5.13T	EV / FCF (Q1 run-rate)	~26×
Enterprise value (~\$42B net cash)	~\$5.09T	Forward P/E ÷ growth (PEG)	well under 1
P/E — forward	~21×	52-week range	\$164 – \$237
P/E — trailing (GAAP)	~32×	Dividend yield	~0.5%

◆ WHY A HYPERGROWTH NAME TRADES AT ONLY ~21× — THE RISKS BEING PRICED

Unlike most AI winners, NVDA's **multiple is modest**; the market is pricing risk, not euphoria. Key concerns: **customer concentration** — the top three direct customers were 21%, 17% and 16% of revenue (~54% combined); **Data Center is 92%** of the business, tied to a handful of hyperscalers' capex; **China Data Center compute is ~zero** under export controls; ~\$119B of **supply commitments** is a bet demand persists; and NVIDIA is **investing in its own customers** (~\$18.6B into private AI companies/funds in Q1), a "circular" dynamic bulls and bears read differently. The debate is durability of the AI-capex cycle, not the price (page 2).

WHAT'S MOST IMPACTFUL

- **AI-capex demand is the whole story.** Data Center +92% to \$75.2B, driven by the Blackwell ramp; networking +199%. Revenue is guided to keep climbing to \$91B next quarter. The single biggest driver is hyperscaler and "AI factory" build-out.
- **High-margin economics at scale.** 75% gross margin, ~66% operating margin, ~60% FCF margin — NVIDIA converts the boom into ~\$48.6B of quarterly free cash and returned ~\$20B to holders while raising the dividend and buyback.
- **Concentration & cyclicality are the swing factors.** With ~54% of revenue in three customers and 92% in Data Center, any pause in hyperscaler capex ("digestion") would hit hard — which is exactly why the multiple stays low despite the growth.
- **China is a wildcard, mostly to the downside now.** Data Center compute to China is effectively zero (limited H200 shipments resumed mid-July 2026 at negligible volumes); a fuller reopening is potential upside not in guidance, but carries tariffs and approval risk.
- **Supply, not demand, is the near-term constraint.** \$119B of supply commitments and \$30B of cloud commitments show NVIDIA pre-committing capital; execution on capacity (and Rubin in H2) matters more than order intake.

HOW TO READ THE NUMBERS

- Fiscal year ends in late January: "FY2027" is the year ending Jan 2027; this is its first quarter (ended April 26, 2026).
- GAAP diluted EPS (\$2.39) is **above** non-GAAP (\$1.87) this quarter because GAAP includes a ~\$15.9B unrealized gain on equity investments; non-GAAP excludes it, so non-GAAP is the cleaner operating figure.
- Beginning this quarter NVIDIA's non-GAAP figures **include** stock-based compensation (~\$1.9B, ~2% of revenue) — so the adjusted numbers are not flattered by excluding it.
- Revenue is recast into new "market platforms" (Data Center, Edge Computing); prior periods were restated for comparability.

Full Excel model — linked tabs (platform & segment revenue, margin bridge, quarterly ramp & guidance, EV/sales, P/E & FCF valuation, customer/geographic concentration, source tie-outs) — available on request. Email info@blackspearllc.com for a copy.

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NVIDIA (NASDAQ: NVDA) — Valuation vs. Growth: Cheap on Earnings, Priced for the Cycle

The paradox: NVIDIA grows ~85% and earns ~60% cash-flow margins, yet trades at only ~21× forward earnings — a PEG well under 1 and the opposite of most AI names. The multiple is modest because the market discounts deceleration and cyclicity. The real debate is the durability of AI capex and customer concentration, not the price.

Quarterly revenue is reported actual through Q1 FY2027; Q2 FY2027 is the company's own guidance. Multiples and PEG are Blackspear calculations from public market data — mechanical, not a Blackspear price target or recommendation.

QUARTERLY REVENUE — THE SUSTAINED RAMP (THROUGH Q1 FY27 ACTUAL + Q2 FY27E GUIDE)



VALUATION & GROWTH

Share price (4 Aug 2026)	\$211.94
Market cap / enterprise value	~\$5.13T / ~\$5.09T
P/E — forward / trailing (GAAP)	~21× / ~32×
EV / FY26 revenue (\$216B)	~24×
EV / revenue — H1-FY27 run-rate	~15×
EV / free cash flow (Q1 run-rate)	~26×
Revenue growth — Q1 / Q2E (YoY)	+85% / +95%
Non-GAAP operating / FCF margin	~66% / ~60%
Consensus target · rating	~\$303 · Strong Buy

Why the multiple is low. A ~21× forward P/E on ~85% growth is a PEG far below 1 — because the market assumes growth decelerates sharply and semis are cyclical. Even if revenue only doubles from here and then flattens, ~15× EV/sales and ~21× earnings are undemanding; the risk priced in is a demand air-pocket, not overvaluation. Consensus (61 analysts) targets ~\$303. Not a Blackspear target.

DOES THE MULTIPLE REFLECT THE RISK?

CHEAP ON EARNINGS — PRICED FOR THE CYCLE

A demand-durability call, not a valuation call

At ~21× forward earnings with ~85% growth, ~75% gross and ~60% FCF margins, NVDA carries an **unusually low multiple relative to its growth** for a mega-cap — if the AI build-out is durable. The low multiple is the market pricing the other side: a cyclical peak, hyperscaler-capex digestion, and ~54% of revenue in three customers. This is a cyclicity-and-concentration bet, not a "priced-for-perfection" bet.

BULL

- PEG <1; ~21× earnings for +85%
- ~60% FCF margin; ~\$48.6B/qtr
- Blackwell/Rubin roadmap; networking +199%
- China reopen = upside not in guide

BEAR

- ~54% of revenue in 3 customers
- 92% Data Center; capex-cyclical
- \$119B supply commitments if demand slips
- Circular financing; custom-ASIC competition

EARNINGS QUALITY — GAAP VS. NON-GAAP (THIS QUARTER THE USUAL GAP REVERSES)

Two points a careful reader needs. (1) **SBC is small and now included.** Beginning Q1 FY2027 NVIDIA's non-GAAP figures include stock-based compensation (~\$1.9B, ~2.4% of revenue), so non-GAAP EPS of \$1.87 already absorbs it — the adjusted numbers are not flattered by excluding SBC (contrast with software names where the add-back is large). (2) **GAAP is inflated by investment gains, not deflated by SBC.** GAAP net income of \$58.3B (\$2.39) is higher than non-GAAP \$45.5B (\$1.87) because GAAP includes a ~\$15.9B, largely unrealized, gain on NVIDIA's equity/strategic investments, which non-GAAP excludes. So the ~\$1.87 non-GAAP figure — and the ~21× forward P/E built on forward non-GAAP EPS — is the cleaner operating basis; trailing GAAP P/E (~32×) is flattered by the one-time investment gain and should be read with care. Free cash flow (\$48.6B) is real cash and needs no such adjustment.

On forward figures. Q2 FY2027 revenue of \$91.0B (±2%, ~+95% YoY) and ~75% gross margin are NVIDIA's own guidance; NVIDIA guides one quarter forward, so the "H1-FY27 run-rate" (Q1 actual + Q2 guide, annualized ≈ \$345B) is a mechanical annualization, not a company or Blackspear forecast. FY2026 revenue of ~\$216B is a reported actual. EV / revenue, EV / FCF, PEG and per-quarter figures are mechanical Blackspear calculations using public market data as of August 4, 2026 (price \$211.94; ~\$5.13T market cap on ~24.2B shares; ~\$5.09T EV net of ~\$42B net cash). Forward (~21×) and trailing (~32×) P/E and the ~\$303 consensus target are as reported by third-party market-data sources and depend on the earnings basis used. Not estimates, price targets, or recommendations.

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